

[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
JUL 22 1966

Gentlemen:

Your application for exemption from Federal income tax under the provisions of Section 501(c)(6) of the Internal Revenue Code has been considered.

The evidence presented discloses that you were incorporated on [REDACTED] under the laws of the State of [REDACTED].

Your purposes are to provide for maintenance, preservation and architectural control of the campsteads and common areas within [REDACTED].

Section 501(c)(6) of the Code provides for the exemption of business leagues not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having a common business interest with a purpose to improve business conditions instead of to perform particular services for individual members.

It is our conclusion that you are not a business league as defined above and that you are performing services for members which inures to the benefit of private individuals.

Consideration was also given to recognizing you under Section 501(c)(7) as a Social Club. However, exemption is precluded under Section 501(c)(7) because of the inurement factor referred to above.

Accordingly, it is held that you are not entitled to exemption as an organization described in Section 501(c)(6) or 501(c)(7) of the Code and you are required to file Federal income tax returns on Form 1120. However, you may qualify for election as a homeowners association by filing Form 1120-H. To determine if you qualify for this election see the section on Homeowners Associations in Publication 588.

If you do not agree with these conclusions, you may request Appeals Office consideration. To do this, you must submit to the District Director within 30 days from the date of this letter, a statement of facts, law, and arguments, in duplicate, which will clearly set forth your position. You also must state whether you wish an Appeals Office conference. Any submission must be signed by one of your principal officers. If the matter is to be handled by a representative, the Conference and Practice Requirements regarding the filing of a power of attorney and evidence of enrollment to practice must be met.

[REDACTED]

If we do not hear from you within the time specified, this communication will become our determination in the matter.

Very truly yours,

[REDACTED]
District Director

Enclosures:
Publication 892
Publication 588